



Senate

General Assembly

January Session, 2015

File No. 137

Senate Bill No. 885

Senate, March 19, 2015

The Committee on Banking reported through SEN. WINFIELD of the 10th Dist., Chairperson of the Committee on the part of the Senate, that the bill ought to pass.

AN ACT CONCERNING THE DEPARTMENT OF BANKING.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 36a-1 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2015*):

3 This title shall be known as the "Banking Law of Connecticut" and
4 shall be applicable to all Connecticut banks, Connecticut credit unions,
5 mortgage lenders, mortgage correspondent lenders, mortgage brokers,
6 mortgage loan originators, loan processors or underwriters, money
7 transmitters, check cashers, trustees under mortgages or deeds of trust
8 of real property securing certain investments, corporations exercising
9 fiduciary powers, small loan lenders, business and industrial
10 development corporation licensees, sales finance companies, mortgage
11 servicers, debt adjusters, debt negotiators, consumer collection
12 agencies and to such other persons [as] who subject themselves to the
13 provisions of this title or who, by violating any of its provisions,
14 become subject to the penalties provided in this title.

15 Sec. 2. Section 36a-3 of the general statutes is repealed. (*Effective*
16 *October 1, 2015*)

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2015</i>	36a-1
Sec. 2	<i>October 1, 2015</i>	Repealer section

BA *Joint Favorable*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact: None

Municipal Impact: None

Explanation

The bill makes clarifying changes to the banking statutes that have no fiscal impact.

The Out Years

State Impact: None

Municipal Impact: None

OLR Bill Analysis**SB 885*****AN ACT CONCERNING THE DEPARTMENT OF BANKING.*****SUMMARY:**

This bill extends the application of Connecticut's banking laws to business and industrial development corporations (BIDCO), which are nondepository financial institutions approved or seeking approval from the federal Small Business Administration (SBA) to act as participating lenders under SBA's loan guarantee program. By law, BIDCOs must be licensed by the banking commissioner and are subject to his jurisdiction (CGS § 36a-625, et. seq.). The bill makes BIDCOs expressly subject to the provisions of the state's banking laws and its penalties, including the general penalties for violating banking laws (e.g., a fine of between \$25 and \$1,000 for each offense, see CGS § 36a-57).

The bill also repeals a list of terms used in the banking statutes that are defined or referenced in other statutory provisions and their cross-referenced statutory cites. In so doing, terms in certain sections of the banking statutes no longer have a corresponding definition. For example, the term "periodic statement" is used in CGS § 36a-304, but it is not defined in that section.

EFFECTIVE DATE: October 1, 2015

COMMITTEE ACTION

Banking Committee

Joint Favorable

Yea 17 Nay 0 (03/05/2015)